



0000036924

**BEFORE THE ARIZONA CORPORATION COMMISSION**

2002 NOV 20 P 1:06

**WILLIAM A. MUNDELL**  
COMMISSION – CHAIRMAN  
**JIM IRVIN**  
COMMISSIONER  
**MARC SPITZER**  
COMMISSIONER

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE GENERIC	) DOCKET NO. E-00000A-02-0051
PROCEEDING CONCERNING ELECTRIC	)
RESTRUCTURING ISSUES	)
	)
IN THE MATTER OF ARIZONA PUBLIC	) DOCKET NO. E-01345A-01-0822
SERVICE COMPANY'S REQUEST FOR A	)
VARIANCE OF CERTAIN REQUIREMENTS	)
OF A.A.C. R14-2-1606	)
	)
IN THE MATTER OF THE GENERIC	) DOCKET NO. E-00000A-01-0630
PROCEEDING CONCERNING THE	)
ARIZONA ADMINISTRATOR	)
	)
IN THE MATTER OF TUCSON ELECTRIC	) DOCKET NO. E-01933A-02-0069
POWER COMPANY'S APPLICATION FOR A	)
VARIANCE OF CERTAIN ELECTRIC	)
COMPETITION RULES COMPLIANCE	)
DATES	)

**NOTICE OF FILING OF OBJECTIONS**

Stirling Energy Systems (SES), and intervenor in this proceeding, hereby files objections to testimony filed in this proceeding.

On this 20<sup>th</sup> day of November, 2002.

By: \_\_\_\_\_

Arizona Corporation Commission  
**DOCKETED**

NOV 20 2002

Robert B. Liden  
Chief Financial and Administrative Officer  
Stirling Energy Systems

DOCKETED BY	
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# **BEFORE THE ARIZONA CORPORATION COMMISSION**

**WILLIAM A. MUNDELL**  
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**JIM IRVIN**  
**COMMISSIONER**  
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**COMMISSIONER**

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<b>COMPETITION RULES COMPLIANCE</b>	<b>)</b>
<b>DATES</b>	<b>)</b>

**OBJECTIONS OF STIRLING ENERGY SYSTEMS**  
**By Robert B. Liden**

**November 20, 2002**

Stirling Energy Systems (SES) is an intervener in this proceeding but has not filed testimony. At this time, however, SES wishes to object to a portion of the rebuttal testimony filed by Staff's Mr. Alan Kessler. On page 13 of his testimony, Mr. Kessler indicated that renewable resources should be allowed to bid in this process but that utilities should not be required to give extra credit to these resources. This approach would effectively exclude renewable resources from the bidding process at this time because renewables are currently more expensive resources. Nonetheless, as evidenced by, at least, the APS showing of unmet needs, the renewable portfolio standard (RPS) requirement is not being met under the current regulatory scheme.

The existence of the RPS identifies the need for promotion of renewable energy generating resources in the short term in order for these resources to, in the long run, be price competitive with traditional generating resources. To the extent that the RPS is not being met, the Commission should promote other methods for insuring that it is, such as giving a preference to renewables in this bidding process.

In addition, SES wishes to comment on testimony filed by Mr. Robert W. Kendall on behalf of Welton-Mohawk Generating Facility. As indicated above, SES agrees that renewable energy should receive a preference in the bid process; however, Mr. Kendall suggests that the preference be limited to a renewable hybrid system, but not a straight renewable system. SES would like to see the Commission give additional preferences to all renewable bidders as a way to achieve the goals of the RPS. In addition, SES further suggests that certain types of renewables be given additional preference. For example, renewables that can be delivered inside the load pocket should be given credit for avoiding transmission constraints.

In summary, SES believes that the Commission's goals under the RPS can be furthered by specifically including renewable energy resources in this process. I would be available to testify in this proceeding if so required.

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## Certificate of Service

I hereby acknowledge that I have, this 20<sup>th</sup> day of November, 2002, filed the enclosed documents on the service list in this proceeding via electronic or regular mail.

By:



Robert B. Liden  
Chief Financial and Administrative Officer  
Stirling Energy Systems